United Nations A/55/407

General Assembly

Distr.: General
21 September 2000

Original: English

Fifty-fifth session
Agenda item 99
Implementation of the first United Nations Decade for the Eradication of Poverty (1997-2006)

Implementation of the first United Nations Decade for the Eradication of Poverty (1997-2006)

Report of the Secretary-General*

Summary

The present report responds to General Assembly resolution 54/232 of 22 December 1999 in which the Assembly requested the Secretary-General to report to it at its fifty-fifth session on the progress made in the implementation of measures, recommendations and activities relating to the first United Nations Decade for the Eradication of Poverty, including an examination of the impact of globalization on the eradication of poverty. This report focuses on progress achieved in global poverty reduction since the World Summit for Social Development, highlighting the need for more concerted and sustained efforts .o eradicate poverty. The theme "Globalization and the eradication of poverty" is also addressed, with particular reference to the impact of globalization on the least developed countries which have so far not been able to take advantage of the opportunities offered by globalization. The report outlines a range of possible actions, policies and measures that may be undertaken both at the national and at the international level to enable developing countries to better benefit from globalization. The report concludes with a summary of coordination at the intergovernmental level and activities of the United Nations system in support of national efforts to eradicate poverty.

* The footnote requested by the General Assembly in resolution 54/248 was not included in the submission.

00-65638 (E) 201000

Contents

		Paragraphs	Page
I	Introduction	1	3
II	Poverty eradication in the new millennium	2–15	3
	A. Overview of trends and patterns in global poverty	2–11	3
	B. Renewed commitments by the international community in the fight against poverty	12–15	6
III	Globalization and the eradication of poverty	16–46	6
	A. Sharing the fruits of globalization	16–19	6
	B. Globalization and poverty	20–27	7
	C. Conclusions and possible avenues for action	28–46	8
IV	Coordination at the intergovernmental level	47–59	12
	A. Economic and Social Council	47–51	12
	B. Commission for Social Development	52	12
	C. General Assembly	53–59	13
V	Activities of the United Nations system in support of national efforts	60–84	14
	A. Administrative Committee on Coordination	60–61	14
	B. United Nations Secretariat	62–63	14
	C. Regional commissions	64–84	15
	1. Economic and Social Commission for Asia and the Pacific (ESCAP)	64–67	15
	2. Economic Commission for Africa (ECA)	68–70	15
	3. Economic Commission for Latin America and the Caribbean (ECLAC)	71–76	16
	4. Economic Commission for Europe (ECE)	77–79	17
	5. Economic and Social Commission for Western Asia (ESCWA)	80–84	18

I. Introduction

1. The present report responds to General Assembly resolution 54/232 of 22 December 1999 in which the Assembly requested the Secretary-General to report to it at its fifty-fifth session on the progress made in the implementation of measures, recommendations and activities relating to the first United Nations Decade for the Eradication of Poverty, including an examination of the impact of globalization on the eradication of poverty. In section II, the report focuses on progress achieved in global poverty reduction since the World Summit for Social Development, and highlights the need for more concerted and sustained efforts by all concerned in the eradication of poverty. The theme "Globalization and the eradication of poverty" is addressed in section III, with particular reference to the impact of globalization on the least developed countries which have so far not been able to take advantage of the opportunities offered by globalization. Section IV of the report outlines a range of possible actions, policies and measures that may be taken both at the national and at the international level to enable developing countries to better benefit from globalization. Finally, section V concludes with a summary of coordination at the intergovernmental level and activities of the United Nations system in support of national efforts to eradicate poverty. In view of the brief period between the twenty-fourth special session of the Assembly, which took note of the activities of the United Nations programmes, funds and specialized agencies, including the Bretton Woods institutions, as extensively reported in the Secretary-General's comprehensive report on the implementation of the outcome of the World Summit (A/AC.253/13-E/CN.5/2000/2), and the submission of this report, the review of progress set out in section V draws largely on the activities of the Administrative Committee on Coordination (ACC), the United Nations Secretariat and the regional commissions.

II. Poverty eradication in the new millennium

A. Overview of trends and patterns in global poverty

2. Since the World Summit for Social Development, many Governments have set national poverty reduction targets and formulated or refined poverty eradication plans and strategies. Yet, the five-year review and appraisal of the outcome of the World Summit for Social Development revealed that poverty reduction performance had been mixed. This finding was also confirmed by recent World Bank data (see table). Overall, while the share of population and the number of people living on less than a dollar a day declined substantially in the mid-1990s, the global financial crisis led to an increase in that number in the late 1990s, despite a decline in the share of population living in poverty. Globally, the declines in the numbers are largely due to a reduction in the number of poor people in East Asia, most notably in China. However, even in this region, progress was partly reversed by the crisis, and stalled in China. In South Asia, the share of the population living in poverty did decline moderately through the 1990s but the actual numbers of poor people in the region in 1998 is estimated to have been larger than in 1987. In sub-Saharan Africa, the share has declined but the numbers in poverty increased through the 1990s. In Latin America, although the share of poor people remained roughly constant over the period, the numbers living in poverty increased. In the countries with economies in transition, both the share and the numbers in poverty have increased sharply.[1]

3. Social indicators have generally been improving over the last three decades. Many countries have achieved improvements in literacy, life expectancy, school enrolment and availability of basic social services, and have enhanced social protection systems and reduced infant mortality. However, progress has been uneven, revealing continuing disparities in access to basic social services, including a lack of access to education. Social indicators for the poor remain systematically worse than those for the better off.[2]

4. At present, more than 110 million primary-school-age children in developing countries do not attend school, and for those who are in school, the quality of education they receive remains an important issue. Within countries, there is often a large gap between the educational attainment of the rich and that of the poor, and in many countries, children from the poorest households have no schooling. While countries in East Asia and the Pacific have achieved enrolment rates equivalent to those of developed countries, almost one third of school-age children in Africa are still without access to any form of education. In South Asia,

Population living on less than $1 per day and headcount index in developing and transitional economies, selected years, 1987-1998

	Number of people living on less than $1 a day (millions)				
Region	*1987*	*1990*	*1993*	*1996*	*1998[a]*
East Asia and the Pacific	417.5	452.4	431.9	265.1	278.3
(excluding China)	(114.1)	(92.0)	(83.5)	(55.1)	(65.1)
Eastern Europe and Central Asia	1.1	7.1	18.3	23.8	24.0
Latin America and the Caribbean	63.7	73.8	70.8	76.0	78.2
Middle East and North Africa	9.3	5.7	5.0	5.0	5.5
South Asia	474.4	495.1	505.1	531.7	522.0
Sub-Saharan Africa	217.2	242.3	273.3	289.0	290.9
Total	**1 183.2**	**1 276.4**	**1 304.3**	**1 190.6**	**1 198.9**
(excluding China)	**(879.8)**	**(915.9)**	**(955.9)**	**(980.5)**	**(985.7)**
	Headcount index (percentage)				
Region	*1987*	*1990*	*1993*	*1996*	*1998[a]*
East Asia and the Pacific	26.6	27.6	25.2	14.9	15.3
(excluding China)	(23.9)	(18.5)	(15.9)	(10.0)	(11.3)
Eastern Europe and Central Asia	0.2	1.6	4.0	5.1	5.1
Latin America and the Caribbean	15.3	16.8	15.3	15.6	15.6
Middle East and North Africa	4.3	2.4	1.9	1.8	1.9
South Asia	44.9	44.0	42.4	42.3	40.0
Sub-Saharan Africa	46.6	47.7	49.7	48.5	46.3
Total	**28.3**	**29.0**	**28.1**	**24.5**	**24.0**
(excluding China)	**(28.5)**	**(28.1)**	**(27.7)**	**(27.0)**	**(26.2)**

Source: Based on World Bank, *Poverty Reduction and the World Bank: Progress in Fiscal 1999* (Washington, D.C., World Bank, 2000), table 1a.

[a] Estimates.

it is estimated that about one quarter of school-age children are out of primary school.[3] Substantial gender differences in educational outcomes and access still remain.[4] Adult illiteracy is still high in developing countries.

5. Progress was achieved in the area of infant mortality between 1990 and 1997 in all regions. Nevertheless, children born into poor families still have a higher chance of dying before their fifth birthday than children born into better-off families. The differences in under-five mortality rates between poor and non-poor also vary considerably across countries: for example, the rate of under-five mortality is lower among the poorest 20 per cent in Brazil than among the richest 20 per cent in Ghana and Pakistan. In addition, malnutrition indicators such as wasting, stunting, and underweight are found to be higher among the poor in almost all countries. Differences in malnutrition indicators between the poor and non-poor also vary across countries. The poor are also more affected by communicable diseases than are the rich. These differences in health outcomes reflect, among other things, differences in access to health care.

6. The rate of new human immunodeficiency virus/acquired immunodeficiency syndrome (HIV/AIDS) infection is higher in poor countries and

among the poor in these countries. Infection rates are stable or rising in most developing countries, while they are declining in the developed world. Ninety-five per cent of infected people are in the developing world and a full two thirds are in sub-Saharan Africa. AIDS deepens and spreads poverty: poor households are more adversely affected by an AIDS death of a prime-age adult than other households because they have fewer assets for coping with medical expenses and with the loss of the income and services that a prime-age adult typically provides. AIDS is also likely to increase poverty through the rise in the number of children who lose one or both parents. Lack of schooling and inadequate nutrition will make it more difficult for orphans to escape poverty. AIDS is also making it difficult to achieve the agreed infant and child mortality targets because many children are born infected: in the countries with the highest prevalence of HIV/AIDS, maintaining even current levels will be difficult.[5]

7. Average life expectancy of people in developing countries rose from 55 to 65 years between 1970 and 1997, though this is still well below the life expectancy of 78 years in the Organisation for Economic Cooperation and Development (OECD) countries in 1997. However, this improvement in life expectancy is at risk: since 1990, life expectancy has declined in 33 countries, mostly those more severely affected by the spread of AIDS.[6] A number of other fundamental indicators, including adequate calorie intake, reasonable shelter, and access to basic services, remain deeply unsatisfactory. Worldwide, it is estimated that some 250 million children are child labourers, and hundreds of thousands are used as child soldiers in armed conflicts.[7]

8. Natural disasters (including floods, droughts, tornadoes and earthquakes) in a number of countries have also contributed to increased numbers of people living in poverty. Civil war and ethnic conflict have reduced rates of economic growth and social progress, destroyed physical assets, disabled large numbers and killed many. Large populations have been displaced or driven out as refugees.

9. At the World Summit for Social Development in Copenhagen and at the Fourth World Conference on Women in Beijing, the international community recognized expressly that women and men experience poverty differently and unequally, and become impoverished through different processes and that if those differences are not taken into account, the causes of poverty cannot be understood or adequately dealt with by public actions. Persistent discrimination against women in the labour market continues to hinder women's economic empowerment.

10. Many countries continue to face intractable problems for poverty eradication. In the least developed economies, mostly in Africa, economic growth has been stagnant. In the post-socialist countries in transition from centrally planned to market economies, the universal social security schemes have broken down and no adequate arrangements have been introduced to replace them. Economic decline coupled with price inflation has thrown people into poverty on a scale not seen in these economies prior to 1989. The fight against global poverty suffered a major setback as a result of the 1997-1998 financial turmoil. Many countries, especially in South-East Asia, that had been on the verge of experiencing a turn of the tide in the fight against poverty witnessed its re-emergence along with hunger and the human suffering it brings. A strong rebound in growth in the region in 1999 has raised hopes that poverty in East Asia might resume its decline. Lack of financial resources, compounded in most cases by the worsening terms of trade and weak infrastructures and inefficient administrative systems have all undermined measures to eradicate poverty in developing countries. In some developed market economies, continuing high unemployment, increasing inequality in the distribution of income and changes in welfare policies have done very little to reduce poverty.[8]

11. The promise of poverty eradication as a result of faster growth consequent upon stabilization and structural adjustment programmes generally remains to be delivered on. Even where economic growth was sustained over the short term, there has often been no substantial increase in employment. The severity of the problem was increased in developing countries where the workforce grew owing to rapid population growth. The constraint on resources for social protection and the failure of economic growth to generate significant employment opportunities have posed dilemmas for policy-making in developing countries in respect of pitting short-term poverty alleviation priorities against investment for longer-term growth. That problem was compounded by increased claims on resources to service a burdensome foreign debt.[9]

B. Renewed commitments by the international community in the fight against poverty

12. At the twenty-fourth special session of the General Assembly held in Geneva (26-30 June 2000), Governments renewed their commitment to the full and effective implementation of the Copenhagen Declaration on Social Development[10] and Programme of Action of the World Summit for Social Development[11] at all levels. The central recommendation in the Geneva Political Declaration[12] and Further Actions and Initiatives to Implement the Commitments Made at the Summit[13] concerns the need for Governments to place poverty eradication at the centre of economic and social development and build consensus with all relevant actors at all levels on policies and strategies to reduce the proportion of people living in extreme poverty by one half by the year 2015, with a view to eradicating poverty (commitment 2). The critical role of Governments in advancing people-centred sustainable development is to be fulfilled through actions to increase equality and equity and to promote markets that function efficiently within a framework of ethical values, as well as policies to eradicate poverty, enhance productive employment, ensure universal and equal access to basic social services, ensure social protection and support for disadvantaged and vulnerable groups (commitment 1, para. 4). There is also a need for Governments that have not already done so to incorporate goals and targets for combating poverty into their national strategies for socio-economic development and to adjust their national strategies, as appropriate to the country context, by striving to establish or strengthen institutional mechanisms that ensure a multisectoral approach to poverty eradication, and by enhancing the capacity of local government to address poverty (commitment 2, para. 26).[14]

13. There is a growing convergence of opinion among Governments and key development actors, including the OECD/Development Assistance Committee (DAC) and the World Bank and the International Monetary Fund (IMF), that the eradication of extreme poverty should be a major focus of development strategies in the early decades of the twenty-first century. The decisions of the Boards of the World Bank and IMF to introduce the Poverty Reduction Strategy Paper (PRSP) as one of the prerequisites of receiving debt relief under the enhanced Heavily Indebted Poor Country (HIPC) Initiative is evidence of the commitment of the Bretton Woods institutions to poverty eradication.

14. Enhanced international cooperation is essential to implementing the Copenhagen Declaration on Social Development and Programme of Action of the World Summit for Social Development, and the Further Actions and Initiatives to Implement the Commitments Made at the Summit adopted by the General Assembly at its special session. The overarching objective of reducing by one half the proportion of people living in extreme poverty by 2015 received further endorsement by the leaders of the world at the Millennium Summit. Their United Nations Millennium Declaration (see General Assembly resolution 55/2) expresses their resolve to promote development and to achieve a number of targets in the areas of education, health, water and slums.

15. There is also an immediate need to galvanize world opinion to achieve the target in respect of the eradication of poverty by 2015 through the active mobilization of political will and resources in support of national efforts to eradicate poverty. In this connection, the General Assembly invited the Economic and Social Council to consolidate the growing initiatives and actions established in the Copenhagen Declaration and Programme of Action, the first United Nation Decade for the Eradication of Poverty (1997-2006), and the recommendations made at the special session with a view to launching a global campaign to eradicate poverty (commitment 10, para. 155). Equally important is the need to address the major challenge of globalization and its impact, particularly on the least developed countries.

III. Globalization and the eradication of poverty

A. Sharing the fruits of globalization

16. Through globalization, the world has become increasingly interdependent. The increase in trade, investment and information flows that characterize the globalization of the world economy can yield many benefits and open up many opportunities for developing countries and countries with economies in transition. However, the expectation that growth and development based on global market forces would be

more sustainable and more widely shared than in the past has not been realized. The record has been mixed: on the one hand, there are some countries — generally those with a highly educated and skilled labour force with the necessary know-how to create and use the technologies — that have successfully adapted to the changes and benefited from globalization; on the other hand, many of the poor countries that do not yet have the skills to take advantage of the opportunities offered by expanding markets remain outside this process. While domestic factors have played a role, it seems clear that the international environment has not always been conducive to their development efforts.[15]

17. The fruits of globalization have not been evenly dispersed between and within countries. The extent of inequality between countries has increased. By the late 1990s, the fifth of the world's people living in the highest-income countries accounted for 86 per cent of the world gross domestic product (GDP), 82 per cent of the world export markets, 68 per cent of foreign direct investment (FDI) and 74 per cent of the world telephone lines. In sharp contrast, the respective shares of the bottom fifth were no higher than 1.5 per cent. There is also a high degree of industrial concentration in favour of corporations of developed countries.[16]

18. One of the most critical issues facing developing countries, particularly the low-income countries in sub-Saharan Africa and South Asia, is the problem of development finance. The phenomenal surge in FDI flows which reached more than $644 billion in 1998, had fuelled the belief that the development financing needs of developing countries would be met by the more-or-less-normal functioning of the market. The reality is that FDI flows are highly concentrated, with just 20 countries receiving 83 per cent of the $177 billion going to developing middle-income countries in South-East Asia and Latin America, as well as transition economies. The 48 least developed countries (the majority of whom are in sub-Saharan Africa) attracted less than $3 billion in 1998, a mere 0.4 per cent of the total. In sharp contrast, the United States of America received roughly one third of global inflows of FDI.[17]

19. Also, although official development assistance (ODA) continues to be the largest component of external finance to low-income countries, it has fallen during the present decade. ODA flows currently represent less than 0.2 per cent of the total GNP of the DAC countries, a figure that falls far short of the United Nations target. It is therefore encouraging to note that at the special session of the General Assembly in Geneva a number of developed countries pledged to work towards reaching, within a specific time-frame, the United Nations target of 0.7 per cent of GNP of developed countries for overall ODA.

B. Globalization and poverty

20. There is no simple answer to the question whether globalization tends to cause poverty and increase inequality. Nevertheless, it is generally recognized that, if properly managed, globalization can be a potent force for growth and development. However, globalization has brought with it the risk of increased vulnerability, that is to say, the risk of being negatively affected by the shocks generated by globalization.[18] The financial crises of 1997 and 1998 illustrate that even countries that had benefited from globalization in the past, such as those in East Asia, could become vulnerable, and even more so than others. The increase in poverty and unemployment witnessed in those countries as a consequence of this vulnerability is almost as stunning as the previous growth and human development they had derived from globalization.

21. Vulnerability to economic shocks, according to the Committee for Development Policy, is primarily a consequence of microeconomic conditions, while responses to shocks involve the exercise of macroeconomic policies. The extent of vulnerability at any one time depends partly on initial conditions and partly on the policies subsequently pursued to reduce vulnerability. Governments must be prepared, through the exercise of appropriate policies at the micro- and macroeconomic levels, to reduce vulnerability and to mitigate the consequences of economic shocks. Globalization can increase vulnerability in a number of ways.

22. Trade liberalization and increased competition tend to force changes in labour markets as firms strive to maintain, or gain, competitiveness. In developing countries, trade liberalization can draw people from the informal into the formal labour market with positive effects on their incomes. Yet, this has increased the exposure of many workers, especially those with fewer skills, to external shocks. At the same time, non-standard forms of work (temporary, part-time, home-based) have increased. This can also increase the vulnerability of those involved if these forms of work

are associated with lower levels of social security coverage, and worse job security, working conditions and employment rights. Women have generally fewer skills and account for a much higher share of non-traditional workers; they are therefore even more vulnerable than men.

23. Globalization can also increase vulnerability through financial liberalization and the resulting greater integration of countries in international capital markets. The volatility of financial flows has risen owing to the heightened importance of short-term private capital movements, and sudden changes in expectations by financial market participants can lead to dramatic reversals of capital flows. This can be especially serious when the financial system is underdeveloped, poorly regulated and therefore fragile. Financial liberalization has thus contributed to the increased instability of income and employment.

24. The impact of globalization on poverty is felt particularly in the area of the employment situation, which has worsened in most countries, in some cases quite dramatically, since the Copenhagen Summit. By the end of 1999, most of the countries in South-East Asia affected by the financial crisis were showing signs of recovery in terms of their economic growth rates, but these improvements have not been sufficient to restore to their pre-crisis levels the incomes of the 15 million or so people in East Asia who had been pushed below the poverty line by the crisis. The World Bank estimates that absolute poverty may have increased by an additional 2-3 percentage points in 1998 in Indonesia and Thailand.[19] In addition to public sector lay-offs, Governments have been pressed by adjustment programmes to cut basic social services. As education, health-care and other social programme budgets are cut, not only are jobs lost directly but the future health and productivity of the workforce are undermined.

25. For most of the developing world, the promised benefit from globalization in terms of employment growth has been slight. The quality of employment generated by globalization has also been questioned. Labour standards have been eroded by increasing competition for export markets and foreign investment, and while the political influence of mobile capital has grown, that of labour has weakened owing to the denial of fundamental labour rights such as freedom of association and the right to collective bargaining. As a result of pressures to cut labour costs, precarious forms of employment and insecurity for those at work have grown in some developing countries. In the developing world, the problems of unemployment, underemployment and poverty remain severe. The majority of the labour force in most countries remain trapped in low-productivity employment that offers little relief from poverty. For the most part, the race to create a growing proportion of higher-productivity jobs for a rapidly expanding labour force is being lost. In many countries, there has, indeed, been a widening of wage and income differentials, increasing the danger of social unrest.[20]

26. In many developing countries, unskilled workers, women and immigrants have borne the brunt of the employment crisis. Governments in many countries have taken actions to control immigration and, in some cases, limit the minimum wage of migrants.[21] At the same time, there has been a significant brain drain of skilled workers from developing countries to developed countries.

27. In the industrialized countries, there have been two interrelated sources of apprehension over the impact of globalization on employment. One is the perception that the increasing of imports from low-wage countries has been destroying manufacturing jobs, especially in labour-intensive sectors, and is causing a fall in demand for unskilled labour, which in turn has caused a fall in their earnings relative to the more skilled. The other source of apprehension is the perception that the increasing of outflows of FDI to low-wage economies, driven by the attraction of lower costs, is "exporting" low-skilled jobs to low-wage countries through relocation, thereby reinforcing the effects of increasing import competition on the wages of low-skilled workers.[22]

C. Conclusions and possible avenues for action

28. A major challenge facing the world economy in the years ahead is to preserve the advantages of global markets and competition while ensuring that the benefits of globalization are more equitably distributed. It is generally recognized that if globalization is properly managed it can produce beneficial effects for the eradication of poverty; but for this to happen, certain measures both at the national and at the international level must be in place. In the Plan of Action agreed upon at the tenth session of the United

Nations Conference on Trade and Development (UNCTAD) (Bangkok, 12-19 February 2000), a number of proposals aimed at enhancing the capacity of developing countries to meet the challenges of globalization were made. These include the need to improve the overall performance of developing countries' economies by opening up market opportunities for their exports, and by promoting the transfer of information, skills and technology and increasing the financial resources available for investment in physical and intangible assets. Maximizing the benefits of globalization requires sound domestic policies supported by an enabling global environment and by international economic cooperation. It also requires that the international community address the imbalances and asymmetries in the international economy. Bilateral and multilateral efforts are also needed to safeguard vulnerable populations, especially during times of economic crisis.

29. While trade liberalization has generated export-based growth, there is still scope for future openings in many areas of export interest to developing countries. Some countries have had difficulties with respect to certain agreements owing to human, institutional and financial constraints. These problems need to be addressed so as to ensure that the multilateral trading system results in mutual benefits for all countries. Trade policy and trade liberalization should be made more consistent with overall development objectives. In developing countries, ways and means need to be sought to ensure that trade makes a more decisive contribution to alleviating poverty.

30. There is a similar need for improved policy coherence in developed countries both domestically and internationally, in particular between sectoral, tax and fiscal policies on the one hand and the objectives of their own development policies on the other; and between their own policy conduct and the policy advice extended to developing countries in the context of technical assistance. A reduction in tariff levels and a simplification of tariff structures in developed countries would help raise developing countries' exports. Subsidies can affect the relative competitive positions of countries and have a distorting effect on developing countries. Developed countries should consider the effects of their fiscal policy choices on the needs of developing countries. In addition, unilateral measures, including measures with extraterritorial effects, risk having a negative effect on efforts to move towards a truly non-discriminatory and open trading system.

31. New trading opportunities created by improved market access to developed countries within regional and multilateral agreements need to be complemented by operational programmes, technical assistance and development finance. Such measures would make preferential market access more effective, in particular with respect to the least developed countries. Concrete action should be taken so that a greater number of developing countries can benefit effectively from preferential arrangements.

32. As commodities continue to provide an important source of foreign exchange earnings for developing countries, there is a need for commodity-based diversification, and existing mechanisms for helping to stabilize commodity export earnings should be improved so as to respond to the real concerns of developing country producers. The competitiveness of developing countries in international commodity markets needs to be enhanced. Cooperative arrangements among enterprises in developing countries for improving supply reliability and quality should be considered. At the same time, market transparency and information should be improved, as should capacities of developing country enterprises to access and use information, particularly in electronic form, and training to this end should be supported.

33. In that connection, education and training can play pivotal roles in assisting countries in meeting the challenges of globalization in a manner that ensures sustained economic growth, continued job creation, reduction of vulnerabilities and inequalities, and the empowerment of women. In the era of globalized markets, training, education and skill enhancement — all of which constitute ways to improve capabilities — are integral to any programme designed to enhance competitiveness. Indeed, studies have confirmed the strong impact of training on competitiveness at the firm level. Moreover, a country's ability to attract and benefit from FDI, which may entail technology transfer, is strongly influenced by its own capabilities, of which the education and skills of its workforce are a critical component.

34. There is an urgent need to augment the human capital of the poor if they are to contribute to and benefit from globalization. Improved education is necessary to facilitate the adjustment of the poor to

liberalization policies by improving their labour mobility. The kinds of levels of education needed will depend on many factors, not least of which are the stage of development and degree of insertion in the global economy of the countries in question. Since trade-affected redundant workers in the formal sector are likely, because of their education, to find other work in the economy, attention should also be given to safety nets that are targeted at the poorest and most vulnerable of the affected poor. Governments can also foster the creation of jobs available to the poor by providing support to micro- and small-scale enterprises, including those that are linked to the export sector. Such enterprises are normally more low-skill and labour-intensive than large firms and are therefore helpful in directly reducing poverty.

35. Developing countries could derive maximum advantage from existing and potential markets, if they are assisted in upgrading and developing their services infrastructure and in securing reliable information on the extent of services trade and on market access and barriers to services trade. Developing countries also need access to modern telecommunications infrastructures and networks at low cost. Moreover, electronic commerce is a means of exporting labour-intensive services, but only if adequate access to technology is obtained.

36. To narrow the technological gap between developed and developing countries, a better understanding needs to be achieved of the various channels for transfer of technology. The twenty-fourth special session of the General Assembly in Geneva called for the transfer to developing countries and countries with economies in transition, of appropriate technology, know-how, knowledge and information, including for social development and capacity-building, complementing efforts of these countries in this regard through enhanced international cooperation, including technical cooperation and adequate financial resources (commitment 1, para. 11 (b)).

37. Of equal importance is the need to improve access for products and services of developing countries to international markets through the negotiated reduction of tariff barriers and the elimination of non-tariff barriers that hinder trade of developing countries (ibid., para. 11 (c)). Some experts have also called on rich countries to exercise restraint in the use of property rights of private ownership over human and plant genetic sequences, or basic computer codes, or chemical compounds long in use in herbal medicines. A better balance needs to be struck between the incentive for innovation on one hand, and the interests of the poor countries on the other.

38. Another issue requiring attention relates to the fact that many developing countries face problems when they try to diversify into higher value added and manufactured exports with more dynamic demand prospects. Barriers to entry in those sectors where they should have the best chance of exporting need to be addressed, such as textiles, clothing and the food industry. Market access conditions for agricultural and industrial products of export interest to the least developed countries should be improved on as broad and liberal a basis as possible, and urgent consideration should be given to the proposal for a possible commitment by developed countries to granting duty-free and quota-free market access for essentially all exports originating in least developed countries and other proposals to maximize market access for the least developed countries.

39. To prevent a recurrence of international financial crises, the special session of the General Assembly called for the strengthening of the international financial system. There is also a need to reduce the negative impact of international financial turbulence on social and economic development through: improving preventive and other measures and early warning capabilities to address the excessive volatility of short-term capital flows (ibid., para. 13 (a)); enhancing institutional capacities at the national and international levels to improve transparency of financial flows (ibid., para. 13 (b)); and developing, strengthening and enforcing regulatory frameworks for monitoring operations, to reduce the potential negative impact of financial operations. Assistance should also be given to developing countries and countries with economies in transition in strengthening their domestic capital markets and ensuring their proper regulation by the national Government.

40. The General Assembly also emphasized the need to enhance development cooperation in order to augment the productive potential of people in developing countries, and to build the capacity, inter alia, of the private sector to compete more effectively in the global market place in order to create the basis for generating greater resources for social development (ibid., para. 15). The Assembly underscored the need to encourage corporate social responsibility so that it

contributes to social development goals by: promoting increased corporate awareness of the interrelationship between social development and economic growth (ibid., para. 17 (a)); providing a legal, economic and social policy framework that is just and stable to support and stimulate private sector initiatives aimed at achieving these goals (ibid., para. 17 (b)) and enhancing partnerships with business, trade unions and civil society at the national level to support the goals of the Summit (ibid., para. 17 (c)). In January 1999, the Secretary-General launched the Global Compact which is aimed at encouraging and promoting good corporate practices and learning experiences in universally recognized labour, human rights and environmental standards. The agreement has received the support of the leaders of the leading multinational corporations, trade unions and non-governmental organizations who agreed to take up the challenge at a meeting in New York on 26 July 2000.

41. The oppressive burden of debt servicing continues to thwart the development efforts of the poor countries. At their summit in Okinawa (July 2000), the leaders of the G-7 announced that nine countries[23] had reached their decision points and that total debt relief committed to these countries would amount to more than $15 billion in nominal terms. The leaders of the G-7 also reaffirmed their commitment to providing 100 per cent debt reduction of ODA claims and announced their new commitment to granting 100 per cent debt forgiveness on eligible commercial debt owed by heavily indebted poor countries (HIPCs) that had achieved debt reduction under the initiative. Up to 11 further countries are expected to reach decision points before the end of 2000.[24] This is expected to bring total debt relief agreed under the HIPC Initiative to about $35 billion in nominal terms (about $20 billion in net present value). The G-7 welcomed the efforts being made by HIPCs to develop comprehensive and country-owned poverty reduction strategies through a participatory process involving civil society.

42. The twenty-fourth special session of the General Assembly in Geneva noted that the repeated reschedulings of the bilateral debt of HIPCs in the past had not significantly reduced the amount of outstanding debt. The Assembly called on creditor countries and institutions to take action to achieve rapid progress towards faster, broader and deeper debt relief as agreed under the enhanced HIPC Initiative, which already considers increased flexibility with regard to eligibility criteria and through other means, to help alleviate the debt burdens of those countries covered by the initiative, stressing that debt relief should contribute to development objectives, including poverty reduction. In this regard, countries were urged to direct those resources freed through debt relief, in particular through debt cancellation and reduction, towards social development (ibid., commitment 9, para. 143 (a)). The Assembly also called on the international community to support the strengthening of the institutional capacity of developing countries in debt management (ibid., para. 143 (b)).

43. On the question of stabilization and structural adjustment programmes, the Geneva special session of the General Assembly underlined the need to encourage international financial institutions and national Governments to adopt the principle of integration of social as well as economic aspects in the design of structural adjustment as well as reform programmes (ibid., commitment 8, para. 128). Governments and international financial institutions were also called upon to improve the ongoing dialogue on the design, implementation and reform of the structural adjustment programmes, ensuring the full integration of social and economic frameworks for protecting social policies and programmes so that such programmes would be genuinely nationally owned and driven (ibid., para. 130).

44. In designing such programmes, there is also a need to take into account concerns of people living in poverty, by incorporating social development goals in the formulation of structural adjustment programmes, including poverty reduction strategies, in consultation with civil society (ibid., para. 132), with a particular emphasis on: designing economic policies for more equitable and enhanced access to income and resources to promote sustained economic growth and sustainable development (ibid., para. 132 (a)); protecting core social development expenditures (ibid., para. 132 (b)); and ensuring that public services reach people living in poverty and vulnerable groups as a matter of priority (ibid., para. 132 (c)).

45. Democracy, the rule of law, transparent and accountable governance and administration, including combating and eliminating corruption — a global phenomenon, affecting both developed and developing countries — are indispensable foundations for the realization of people-centred sustainable development. Human rights and fundamental freedoms, with the right

to development as an integral part thereof, must be promoted and protected.

46. The outcome document of the special session of the General Assembly establishes specific mandates for further action by the intergovernmental bodies of the United Nations system. In particular, the special session emphasized the need to strengthen the Economic and Social Council in its coordination of international action in follow-up to the United Nations conferences and summits by fostering a closer working relationship with the funds and programmes and specialized agencies and by supporting cooperation with the Bretton Woods institutions to ensure that the objectives and policy approaches of these conferences and summits are given due consideration by those institutions (ibid., commitment 10, para. 149).

IV. Coordination at the intergovernmental level

A. Economic and Social Council

47. The special session of the General Assembly stressed the role of the Economic and Social as coordinator of international efforts to pursue conference goals. The Council's 2000 high-level segment enabled an unprecedented number of ministers and key figures of the private sector and the United Nations system to address ways of mobilizing information and communication technologies (ICT) for development. Its ministerial declaration[25] calls for joint action to ensure that new technologies are available to all and that they can realize their benefits for economic and social development as well as poverty eradication.

48. On the issue of poverty among women, the Economic and Social Council also adopted resolution 2000/26 to stimulate further progress in implementing its 1999 ministerial communiqué[26] entitled "The role of employment and work in poverty eradication: the empowerment and advancement of women". The report of the Secretary-General on this topic (E/2000/64) noted that major developments that had contributed to progress towards the goals of the communiqué included the five-year reviews of the World Summit for Social Development and the Beijing Fourth World Conference on Women, the first United Nations Decade for the Eradication of Poverty (1997-2006), the HIPC Initiative, the World Education Forum and the financing for development process.

49. In its resolution 2000/26, the Economic and Social Council strongly encouraged Governments to pursue and strengthen their efforts to work towards the goals of poverty eradication, full and productive employment, and the advancement of women by implementing its communiqué and the commitments they had undertaken at the major conferences and summits of the 1990s, and their five-year reviews, as well as at the World Education Forum.

50. Also in 2000, the Economic and Social Council held a special high-level meeting with the Bretton Woods institutions on the theme of strengthening international financial arrangements and addressing poverty (see E/2000/79, annex). The setback caused in Asian countries by the recent financial crisis had highlighted the linkages between the financial architecture and poverty eradication. These meetings are one of the ways for the Council to ensure that the objectives and goals of United Nations conferences and summits are given due consideration by the Bretton Woods institutions.

51. One of the outcomes of United Nations conferences and other processes has been that some 80 developing and transition countries have prepared national poverty reduction programmes. In September 1999, the World Bank and IMF decided on a joint focus on poverty reduction in their policy dialogue with low-income countries. This approach calls for PRSPs as a basis for all international lending to these countries and for debt-relief measures. The United Nations system could bring its experience in addressing poverty at various levels to assisting the World Bank, IMF and Governments in preparing PRSPs.

B. Commission for Social Development

52. The Commission for Social Development at its thirty-eighth session (8-17 February, 14 and 17 March 2000) considered the priority theme "Contribution of the Commission to the overall review of the implementation of the outcome of the Summit". It had before it the Secretary-General's comprehensive report on the implementation of the outcome of the World Summit for Social Development (A/AC.253/13-E/CN.5/2000/2). The Commission adopted resolution 38/1[27] on the overall review and appraisal of the implementation of the outcome

of the Summit. Its agreed conclusions[28] contain assessments of the goals and targets set in Copenhagen, including poverty eradication, and were transmitted to the Preparatory Committee for the Special Session of the General Assembly entitled "World Summit for Social Development and beyond: achieving social development for all in a globalizing world" at its second session in April 2000.

C. General Assembly

53. The General Assembly, by resolution 53/28 of 19 November 1998, decided to hold its twenty-fourth special session entitled "World Summit for Social Development and beyond: achieving social development for all in a globalizing world" in Geneva from 26 to 30 June 2000. In elaborating further actions and initiatives to implement the Copenhagen commitments, the special session agreed on a goal to halve the proportion of people living in extreme poverty by 2015. It also called for the incorporation of goals and targets to combat poverty in national strategies, giving priority to investments in education and health, social protection and social services. It also emphasized the development of sustainable pro-poor growth strategies to enable women and men living in poverty to improve their lives, sharing of best practices on social protection systems and encouraging of international support to countries with economies in transition to help vulnerable groups ease the pains of transition and overcome exclusion and further deprivation (commitment 2, paras. 28, 29, 31).

54. The Preparatory Committee for the Special Session had before it a compilation of summaries and proposals for further action provided by the United Nations system. On poverty eradication, the Preparatory Committee considered proposals and conclusions from the United Nations Development Programme (UNDP), the World Bank, the United Nations University (UNU) World Institute for Development Economics Research (WIDER) and the Population Division of the Department of Economic and Social Affairs of the United Nations Secretariat. The range of proposals and strategies from these agencies included a new global strategy against poverty, and a new generation of poverty programmes that focused on making growth pro-poor by making State institutions accountable to the poor, linking trade, debt and aid policies to poverty reduction and ensuring access to basic social provisions.

55. During its second session in April 2000, the Preparatory Committee for the special session considered review reports and proposals for further action and initiatives submitted by organs and specialized agencies of the United Nations system and other concerned organizations, many of which focused on various aspects of poverty. The World Health Organization (WHO) in its contribution (A/AC.253/16/Add.5) noted, inter alia, that there were unacceptable and growing disparities in health between rich and poor countries, between rich and poor people and between men and women. As part of its follow-up action in regard to the five-year review and appraisal of the outcome of the Copenhagen Summit, WHO proposed a global policy for social development, integration of health dimensions into social and economic policy and development of health systems that could meet the needs of poor and vulnerable populations. The International Labour Office, in its contribution (A/AC.253/16/Add.10), said its global programme on decent work was designed to be a strategic means of reducing poverty and promoting social integration. It has four objectives: employment-creation, promoting human rights at work, improving social protection and promoting social dialogue. The International Labour Organization report on decent work was submitted as a document of the special session.

56. The second session of the Preparatory Committee for the special session also considered a report of the Secretary-General on the acceleration of development in Africa and the least developed countries (A/AC.253/22), which examined the various factors responsible for persistent poverty and made recommendations for long-term sustainable development. To overcome marginalization, the report suggested, among other things, enterprise development, technology development and transfer, trade support and market access and ODA.

57. The General Assembly, by resolutions 52/100 of 12 December 1997 and 52/231 of 4 June 1998, decided to convene a twenty-third special session from 5 to 9 June 2000 entitled "Women 2000: gender equality, development and peace for the twenty-first century". On women and poverty, the final outcome document[29] noted that major achievements in this area had included recognition of the gender dimensions of poverty,

promoting employment and income-generating activities for women, providing basic social services, including education and health care, and extending greater policy support to women-headed households. However, there were continuing challenges in the struggle against feminization of poverty, such as persistent unemployment, the vulnerability of rural women, unequal access to capital, resources and labour markets, and the lack of data disaggregated by sex and age that would enable an accurate assessment of women's unpaid work.

58. The Commission on the Status of Women, acting as the preparatory committee for the twenty-third special session of the General Assembly, considered in its third session (3-17 March and 20 April 2000) the report of the Secretary-General on the review and appraisal of the implementation of the Beijing Platform for Action (E/CN.6/2000/PC/2 and corrigenda). The report noted that an analysis of Governments' replies had showed that a broader definition of poverty was starting to be put in place. From a gender perspective, broader definitions of poverty allow for better understanding of the relative poverty or well-being of individual members of the household (para. 133).

59. This approach goes beyond the traditional definition of poverty as a lack of access to resources, employment and income. It takes into account more than minimum basic needs and focuses the policy discussion on gender differences in basic education, health services and life expectancy and the socially constructed choices of various groups of women and men. Governments are displaying more awareness of disparities resulting from gender-based inequalities within households and are trying to change various social norms that lead to women's social exclusion or economic subordination.

V. Activities of the United Nations system in support of national efforts

A. Administrative Committee on Coordination

60. Executive heads at the Administrative Committee on Coordination (ACC), at its first regular session of 2000 (Rome, 6 and 7 April), underscored that poverty eradication was the greatest challenge of globalization (ACC/2000/4). The United Nations system had a key role in advancing shared values and norms at the global level to ensure that the market worked for the people. The system needs to assist developing countries in capacity- and infrastructure-building, with emphasis on opportunities for decent work. Developing countries and least developed countries need full trade access and debt relief in order to grow out of poverty. In this context, the executive heads agreed to accelerate implementation of the Integrated Framework for the Least Developed Countries and to request the World Trade Organization, as the lead agency, to report back to ACC at its next session (para. 21). At its next session, ACC will review the United Nations system's efforts to speed up the process of trade liberalization for the benefit of all countries and to promote globalization with a human face.

61. In follow-up to an initiative launched by the Secretary-General at a Senior Management Group meeting in the spring of 1999, the United Nations has prepared a cross-cutting strategy to mobilize the efforts of the system in support of the goal of halving extreme poverty. The strategy outlines the main elements of what the United Nations action should be and provides options for the United Nations country teams with respect to using it in their respective situations, working in the context of their common country assessment (CCA) and United Nations Development Assistance Framework (UNDAF) as well as of other instruments such as the Comprehensive Development Framework (CDF) and PRSPs. The strategy will be endorsed by the Consultative Committee on Programme and Operational Questions (CCPOQ) and ACC in their autumn meetings.

B. United Nations Secretariat

62. Several departments of the United Nations Secretariat continue to support the work of intergovernmental bodies in the area of poverty eradication. The Department of Economic and Social Affairs of the United Nations Secretariat, in particular the Division for Social Policy and Development, served as the secretariat for the special session of the General Assembly on the implementation of the outcome of the World Summit for Social Development and as the focal point for the first United Nations Decade for the Eradication of Poverty. The Division submitted to the Economic and Social Council at its substantive session

of 2000 (5 July-1 August 2000) an overview of the 2000 Report on the World Social Situation (E/2000/9).

63. Chapter III of the report, entitled "Trends in living conditions: a mixed record of achievement", noted the links between poverty and unemployment. While employment in the informal economy has expanded in developing countries, it is characterized by insecurity, low productivity and low wages. The precarious nature of such employment is especially stark in countries with economies in transition. Income disparities have increased dramatically in these countries and in many other parts of world over the past decade. The report notes that hunger generally goes hand in hand with poverty, with lack of income to purchase food being the main cause of hunger, malnutrition or undernutrition. The lack of quality housing, the proliferation of informal settlements, homelessness and the lack of safe water and sanitation are other manifestations of poverty.

C. Regional commissions

1. Economic and Social Commission for Asia and the Pacific (ESCAP)

64. The summary of the economic and social survey of Asia and the Pacific, 2000 (E/2000/13) notes a resurgence of growth in the region, with the exception of the South and South-west Asia subregions. However, issues of social security and safety nets have become prominent after the Asian financial crisis with large numbers of people, especially in the unorganized sector in rural and urban areas, virtually excluded from social security coverage. The report suggests greater reliance on market-based or other non-governmental programmes and reforms in existing programmes as a way to achieve greater coverage.

65. At its fifty-sixth session (Bangkok, 1-7 June 2000), the Commission took note of the various measures taken by Governments to alleviate poverty in their countries, in particular through five-year development plans. Effective targeted programmes for disadvantaged groups included employment-generation through public works, food-for-work, encouraging school attendance, microcredit, providing land for the landless, and community-based development. Countries had achieved remarkable reductions in the proportions of the population living in poverty, although setbacks occurred as a result of the Asian economic crisis. The adverse impact of the crisis had lingered longer than expected: unemployment rates and poverty incidence remained relatively high in the affected countries.

66. The Commission suggested several ways in which the Secretariat could help Governments in poverty alleviation efforts. These included: monitoring socio-economic trends, conducting a regional study on national programmes to document best practices, bringing such information to Governments through workshops and seminars, and cooperating more closely with the Asian Development Bank, other international agencies and non-governmental organizations. Alleviation of rural poverty has remained a critical task for developing countries in the region. Here the Commission stressed the importance of decentralization, good governance and the empowerment of women (report of ESCAP on its fifty-sixth session).[30]

67. To strengthen national capabilities, ESCAP has disseminated information and provided advisory services and technical assistance on various aspects of poverty alleviation. It has initiated a regional project to develop a social development management information system (SOMIS) as a planning and monitoring tool for Governments in implementing poverty eradication programmes. The Commission has developed and offered a Human Resources Development (HRD) Course for Poverty Alleviation since 1999, in response to requests from institutions in the region. Eleven modules relate to social development and poverty alleviation. The course seeks to build capacity of national institutions and personnel in the public, private and non-governmental sectors to plan and promote HRD services (education and skills development, employment and health) for the poor. In appreciation of these efforts, Governments have tried to mobilize the special capabilities of ESCAP in finding technical and financial support from the international community to speed implementation of national poverty eradication programmes.

2. Economic Commission for Africa (ECA)

68. The least developed African countries have posted GDP growth rates in excess of the continental average in recent years; but overall, Africa enters the twenty-first century as the poorest and least developed region in the world, notes the summary of the economic and social situation in Africa, 1999

(E/2000/12) based on the *Economic Report on Africa 2000*, prepared by the Economic Commission for Africa (ECA). The continent is also the most technologically backward, the most indebted and the most ravaged by civil conflicts, malnutrition, disease and unemployment. The summary advances a number of development strategies for economic transformation: these include broad-based equitable growth, increased savings and investment, greater investment in health and education, better environmental protection and a strengthened role for government and public policy.

69. In the area of social policy and poverty analysis, the ECA secretariat undertook studies on: The New Face of Poverty in Africa: Case Studies of Selected Urban Centres in Africa; and Integration of Quantitative and Qualitative Analysis for Poverty Analysis: Pilot Studies Using Household Survey Data from Selected African Countries. The studies examined strategies to ensure that public expenditure in Africa is pro-poor and capacity-building for poverty analysis and monitoring (ECA annual report (E/ECA/MFC.2/7)). Other studies undertaken by the Commission include: The Gender Dimension of Poverty in Africa and the Regional and Ethnic Dimension of Poverty in Africa: Case Studies.

70. The Second Preparatory Meeting of Experts of the Ministerial Follow-Up Committee of the Conference of Ministers Responsible for Economic and Social Development (Abuja, 1-3 May 2000) emphasized that poverty reduction in Africa would require overcoming constraints imposed by prevailing conditions of development. These included small and fragmented national markets, weak institutions of governance, low investment in and flight of human capital, and low income levels. In its mid-term review of the World Summit for Social Development (E/ECA/MFC.2/4), the Committee noted that despite progress in some countries in poverty reduction, employment-creation, education and health, several challenges remained. These included debt overhang, overdependence on rain-fed agriculture, lack of adequate physical infrastructure, especially in rural areas, the adverse impact of HIV/AIDS and internal and inter-State conflicts. Other follow-up conferences to the Social Summit had helped member States assess their situation and to revise or include in their national development plans strategies on how to halve poverty by 2015. In collaboration with the World Bank, IMF and the African Development Bank, the Commission organized two workshops in March 2000 for senior policy makers on poverty reduction strategies in Africa. Delegations from 43 countries in sub-Saharan Africa attended the workshops, whose objective was to discuss the enhanced framework for poverty reduction and promote understanding of the PRSPs.

3. Economic Commission for Latin America and the Caribbean (ECLAC)

71. According to the summary of the economic survey of Latin America and the Caribbean, 1999, of the Economic Commission for Latin American and the Caribbean (ECLAC) (E/2000/14), the international financial crisis led to stagnant growth in the Latin America and Caribbean region in 1999 and a decline in per capita GDP by about -1.3 per cent. Job creation was lower than in the previous year and unemployment was on the rise. The ECLAC study, The Equity Gap: A Second Look (LC/G.2096), released as part of the Second Regional Follow-up Conference to the World Summit for Social Development (Santiago, 15-17 May 2000), found that although poverty levels have been on the decline, this progress is adversely affected by every economic crisis. In early 2000, more than 36 per cent of Latin American homes (more than 220 million people) were living in poverty — a figure slightly higher than in 1980. High levels of income inequality persist within and between countries.

72. Social vulnerability and a growing sense of being at risk have become a characteristic of Latin American society in the new century, states the *Social Panorama of Latin America 1999-2000*,[31] also published by ECLAC. This is the result, it says, of "trends in the labour market, the State's pulling back from some areas of action, new institutional structures for providing access to social services, the decline in traditional expressions of social organization and difficulties facing micro- and small companies". The report notes that precariousness of the job market translates into constant movement into and out of poverty, with additional social costs involved. Public policies to focus social spending have in many countries reduced the burden on the public budget of services for upper and middle-class sectors, but they have led to many lower middle class households' bearing all or part of service costs, in addition to the full weight of the job crisis and falling incomes. The report notes the enormous difference in education and health-care services offered by the public and private sectors. This

introduces tension and uncertainty among poor families, increasing the human capital gap and reproducing poverty. Apart from poor groups affected by "hard poverty", non-indigenous poor and middle-class sectors have also experienced sharply fluctuating incomes over the past two decades.

73. ECLAC recommends, among other things, that social policies restore some degree of universal access by reincorporating some target groups among low- and middle-income sectors. It also calls for economic policies to achieve dynamic and stable growth and a significant rise in the productivity of micro- and small companies.

74. At its twenty-eighth session (Mexico City, 3-7 April 2000), ECLAC considered the document entitled "Equality, Development and Citizenship",[32] which proposes equality as a benchmark measure of future development, development supported by macroeconomic stability, and engaging citizens as active and decisive agents in their economic well-being. Since the 1980s, as part of the continuing free-market reform of the region's economies, universal social service coverage had been cut back, the role of the public sector reduced and participation by the private sector encouraged. While all this has resulted in greater efficiency in the use of resources, the report notes that there has been no significant progress in coverage and quality or in poverty reduction. It argues that social goods and services — which the market alone cannot guarantee and for which the State cannot abrogate responsibility — should be thus understood as being different from other types of goods and services.

75. The alleviation of poverty has become a priority for most Governments of Latin America and the Caribbean during the 1980s and the 1990s. ECLAC has been working with Governments to help design and monitor policies in this area. It has developed complete databases on household surveys, the most important statistical source for poverty studies. In the methodological field, it has produced a significant number of documents and organized regional meetings to sponsor and develop income and poverty measurements. At the international level, under the aegis of the Statistical Commission of the United Nations, ECLAC serves as Secretary of the Rio Group on Poverty Statistics (chaired by Brazil) and is a member of the Canberra Group on Household Income Statistics (with Australia and the Netherlands).

76. ECLAC has prepared analytical studies that relate poverty and income distribution to factors that influence greatly its evolution, such as economic growth, employment, social governmental expenditure, education and demography. These are fundamental studies for policy design and evaluation. Evaluation methodologies for social programmes, including those oriented towards poverty evaluation, have been developed and implemented in countries of the region. Statistics on poverty are now being produced on a regular basis every two years and included in the ECLAC Statistical Yearbook, the editions of the Social Panorama and ad hoc documents for conferences. The aim is not only to produce synthetic indicators to measure the extent of poor people and households, but fundamentally to show the heterogeneity of poverty and its origins.

4. Economic Commission for Europe (ECE)

77. At its fifty-fifth session (3-5 May 2000), the Economic Commission for Europe (ECE) discussed, among other things, the economic regeneration of South-Eastern Europe,[33] touching on topics such as (a) whether there was a need for a new approach to the transition process, (b) using regional cooperation to overcome some key problems and (c) targeting and designing international financial and technical assistance to be really effective.

78. In its *Economic Survey of Europe 2000, No. 1*,[34] ECE notes that very few of the transition economies have successfully completed the process of restructuring economic structures of central planning into those appropriate to a market system. In many parts of the Commonwealth of Independent States (CIS) and in South-Eastern Europe, the process has been set back by a series of external shocks, such as the Russian and Asian crises of 1997-1998, and wars, such as the Kosovo conflict. The Russian crisis had an especially severe impact on the Baltic economies, owing to massive cuts in their exports to the Russian Federation and resulted in sharp declines in output and employment. In Eastern Europe as a whole, unemployment reached an average of 14 per cent by December. The economies of South-Eastern Europe moved from modest GDP growth in 1998 (1.3 per cent) into recession in 1999 (about -3 per cent). The *Survey* observes that the macroeconomic situation in most of these countries remains fragile. The regional dimension of poverty alleviation is gaining importance and policy

attention. At the same time, the regional and subregional economic integration processes have an increasingly relevant social dimension. This is particularly so within the European Union (EU) and in the process of EU enlargement, but also in the reconstruction and recovery of South-Eastern Europe.

79. At its spring seminar entitled "From Plan to Market: The Transition Process after Ten Years", ECE assessed the situation of the 27 member countries that have been economies in transition since 1990. Speakers said the task of transition had been underestimated 10 years ago: there were still wide income gaps between the countries of Europe and hopes of convergence were thin. It was noted that the costs of transition included impoverishment, unemployment, increased inequality, deterioration in quality and delivery of public services, a drop in education levels, spread of disease and criminalization.

5. Economic and Social Commission for Western Asia (ESCWA)

80. The Asian financial crisis had a significant impact on the economies of the West Asia region. The region suffered the effects of a reduced demand for oil, fall in exports of non-oil products and a decline in the value of portfolio investments and other assets of member countries. The devaluation in the currencies of South-East Asian economies also made their exports more competitive, adversely affecting the export of textiles by Egypt and the Syrian Arab Republic (ESCWA, annual report, 1998-1999). The Survey of Economic and Social Developments in the ESCWA Region 1998-1999 (E/ESCWA/ED/1999/5) notes, inter alia, the devastating effects of sanctions on millions of Iraqi people, leading to sharp increases in infant and child mortality, poverty and deterioration of health services. It also notes that the labour market continues to be characterized by high levels of disguised unemployment and low productivity.

81. Another study, The ESCWA Region, Twenty-five Years, 1974-99: Political, Economic and Social Developments, assessed the broad economic developments during this period. It pointed out two major trends that have an impact on social development in the region: the diminished role of oil resources and the generally declining growth rates and investment ratios following the oil boom period, and the decreasing role of official concessional capital flows. Countries in the region are under pressure of varying degrees of economic strain, political instability, deteriorating social conditions and soaring unemployment, affecting not only the traditional poor, but also the middle classes.

82. The studies of the Economic and Social Commission for Western Asia (ESCWA) on poverty, its characteristics, determinants and measurements, currently focus on identifying tools to alleviate poverty, such as microcredit facilities and social funds. It has undertaken a country case study of microfinance facilities in Lebanon and plans to follow it with others so as to provide an overview of the field, facilitate impact-assessment studies and make recommendations for better delivery of microfinance services. Another study examined the feasibility and operationalization of microcredit finance facilities targeting poor women in urban and rural areas in selected Arab countries.

83. These studies have produced several recommendations for Governments, United Nations bodies, non-governmental organizations and donors whose policies would influence the links between very small loans, poverty and gender, aiming at poverty reduction for men and women in rural and urban areas. Recommendations included: designation of a comprehensive plan and special lending programme, and the provision of special funds for financing women's projects in developmental fields; stressing the role of non-governmental organizations in determining women's and men's training needs in special projects and marketing their output; the need to re-examine the philosophy of very small loans and their connection with creating job opportunities to empower poor women and men; and a review of national poverty alleviation strategies to incorporate a gender-sensitive approach.

84. In addition, ESCWA is currently undertaking a study on female-headed households in conflict-stricken countries. This is an exploratory survey to formulate poverty alleviation policies in a region characterized by political instability and facing the challenges of globalization and the information technology revolution, privatization and structural adjustment and reform. In the integrated follow-up to global conferences, poverty reduction is considered a priority area for many ESCWA countries, which are exploring the linkages between sustainable social development, migration, urbanization and poverty.

Notes

[1] World Bank, *Poverty Reduction and the World Bank Progress in Fiscal 1999* (Washington, D.C., World Bank, 2000).

[2] Ibid. The World Bank reports data from the Living Standards Measurement Surveys and Demographic and Health Surveys which confirm that the poor have generally worse educational and health outcomes than the better off, that the magnitude of the gap in outcomes between poor and rich varies considerably across countries, and that wide cross-country differences still remain.

[3] United Nations Development Programme (UNDP), *Human Development Report, 1999* (New York, human development indicator 10, Oxford University Press, 1999), p. 178.

[4] Of the 110 million children estimated to be out of school, 60 per cent were girls. The extent of female disadvantage in education varies enormously across countries. In India, the school enrolment of girls aged 6-14 is 16.6 percentage points lower than the school enrolment of boys in the same age group. In the Niger, the enrolment rate of boys aged 6-14 is 41 per cent higher than the enrolment rate of girls in the same age group. See World Bank, *Poverty Reduction ...*, p. 16.

[5] World Bank, *Confronting AIDS* (Washington, D.C., World Bank, 1999).

[6] World Bank, *Poverty Reduction ...*, p. 23.

[7] World Bank, *Annual Report 1999* (Washington, D.C., World Bank, 1999).

[8] See *Official Records of the General Assembly, Twenty-fourth Special Session, Supplement No. 3* (A/S-24/8/Rev.1), chap. III, draft resolution, annex.

[9] Ibid.

[10] *Report of the World Summit for Social Development, Copenhagen, 6-12 March 1995* (United Nations publication, Sales No. E.96.IV.8), chap. I, resolution 1, annex I.

[11] Ibid., annex II.

[12] *Official Records of the General Assembly, Twenty-fourth Special Session, Supplement No. 3* (A/S-24/8/Rev.1), chap. III, draft resolution, annex, sect. I.

[13] Ibid., sect. III.

[14] Ibid.

[15] Plan of Action (TD/386), adopted by the United Nations Conference on Trade and Development, tenth session, Bangkok, 12-19 February 2000.

[16] Ibid.

[17] United Nations Development Programme (UNDP), *Human Development Report 2000* (New York, Oxford University Press, 2000).

[18] *Vulnerability and Poverty in a Global Economy: Report of the Committee for Development Policy on the first session (26-30 April 1999)* (United Nations publication, Sales No. E.99.II.A.5).

[19] World Bank, *East Asia Quarterly Brief* (Washington, D.C., World Bank, January 2000).

[20] Ibid.

[21] Sarah Anderson and John Cavanagh, "Bearing the burden: the impact of global financial crisis on workers", Institute for Policy Studies, Washington, D.C., April 2000.

[22] Eddy Lee, "World employment 1996/97", in *Aspects of Employment Strategy* (United Nations publication, Sales No. E.98.IV.1).

[23] Benin, Bolivia, Burkina Faso, Honduras, Mauritania, Mozambique, Senegal, Uganda and the United Republic of Tanzania.

[24] Cameroon, Chad, Côte d'Ivoire, Guinea, Guinea-Bissau, Guyana, Malawi, Mali, Nicaragua, Rwanda and Zambia.

[25] See A/55/3, chap. III, para. 17.

[26] See *Official Records of the General Assembly, Fifty-fourth Session, Supplement No. 3* (A/54/3/Rev.1), chap. III, para. 23.

[27] See *Official Records of the Economic and Social Council, 2000, Supplement No. 6* (E/2000/26), chap. I, sect. C.

[28] Ibid., resolution 38/1, annex.

[29] See *Official Records of the General Assembly, Fifty-fourth Session, Supplement No. 3* (A/S-23/10/Rev.1), chap. III, draft resolution II, annex, sect. II.

[30] To be issued as *Official Records of the Economic and Social Council, 2000, Supplement No. 19* (E/2000/39) (E/ESCAP/1197).

[31] United Nations publication, Sales No. S.00.II.G.18.

[32] United Nations publication, Sales No. S.00.II.G.81.

[33] *Official Records of the Economic and Social Council, 2000, Supplement No. 17* (E/2000/37).

[34] United Nations publication, Sales No. E.00.II.E.12.